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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Kristin K. Mayes, Chairman
Gary Pierce
Sandra D. Kennedy
Paul Newman
Bob Stump

IN THE MATTER OF THE APPLICATION OF
AGUA CALIENTE SOLAR, LLC, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES 40-360.03 AND 40-360.06, FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE AGUA CALIENTE
SOLAR PROJECT, A 280 MW PARABOLIC
TROUGH CONCENTRATING SOLAR
THERMAL, OR A 425 MW PHOTOVOLTAIC
SOLAR, GENERATING FACILITY AND
ASSOCIATED TRANSMISSION LINE
INTERCONNECTING THE GENERATING
FACILITY TO THE ADJACENT PALO VERDE
- NORTH GILA #1 500kV TRANSMISSION
LINE IN YUMA COUNTY APPROXIMATELY
10 MILES NORTH OF DATELAND,
ARIZONA.

CASE NO. 145

DOCKET NO. L-00000JJ-09-0279-00145

DECISION 71297

(CEC IN CASE NO. 145)

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES 40-360.03 AND 40-360.06, FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE APS Q43 500kV
TRANSMISSION LINE AND SWITCHYARD
INTERCONNECTION PROJECT AND
ASSOCIATED FACILITIES
INTERCONNECTING TO THE EXISTING
PALO VERDE - NORTH GILA #1 AND
FUTURE PALO VERDE - NORTH GILA #2
500kV TRANSMISSION LINES
APPROXIMATELY 10 MILES NORTH OF
DATELAND, ARIZONA (SECTION 34, T5S,
R12W, G&SRBM, YUMA COUNTY,
ARIZONA).

CASE NO. 146

DOCKET NO. L-00000D-09-0280-00146

Arizona Corporation Commission

DOCKETED

OCT 7 2009

DOCKETED BY

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, CHAIRMAN
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

IN THE MATTER OF THE APPLICATION OF
AGUA CALIENTE SOLAR, LLC, IN
CONFORMANCE WITH THE
REQUIREMENTS OF ARIZONA REVISED
STATUTES 40-360.03 AND 40-360.06, FOR A
CERTIFICATE OF ENVIRONMENTAL
COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE AGUA CALIENTE
SOLAR PROJECT, A 280 MW PARABOLIC
TROUGH CONCENTRATING SOLAR
THERMAL, OR A 425 MW PHOTOVOLTAIC
SOLAR, GENERATING FACILITY AND
ASSOCIATED TRANSMISSION LINE
INTERCONNECTING THE GENERATING
FACILITY TO THE ADJACENT PALO
VERDE - NORTH GILA #1 500kV
TRANSMISSION LINE IN YUMA COUNTY
APPROXIMATELY 10 MILES NORTH OF
DATELAND, ARIZONA.

DOCKET NO. L-00000JJ-09-0279-00145

CASE NO. 145

DECISION NO. 71297

(Solar Generating Project)

Open Meeting
September 22, 2009
Phoenix, Arizona

BY THE COMMISSION:

Pursuant to A.R.S. §§ 40-360, *et seq.*, after due consideration of all relevant matters, the Arizona Corporation Commission ("Commission") finds and concludes that the Certificate of Environmental Compatibility ("CEC") issued by the Arizona Power Plant and Transmission Line Siting Committee ("Siting Committee") is hereby approved as modified by this Order.

The Commission, in reaching its decision, has balanced all relevant matters in the broad public interest, including the need for an adequate, economical and reliable supply of electric power with the desire to minimize the effect thereof on the environment and ecology of this state, and finds that the CEC for the above-captioned application for siting approval is in the public interest as modified by this Order.

1
2 The Commission modifies the CEC to add the following new condition:

- 3 19. Applicant, or its assignee(s), shall file a report with the Commission's Docket
4 Control outlining the major terms of its finalized Purchase Power Agreement,
5 including details regarding costs, parties involved and megawatts contracted for,
6 coincident with the filing of an Advice Letter with the California Public Utilities
7 Commission. Any confidential or proprietary information shall be provided under a
8 Utilities Division Confidentiality Agreement with a notice filed in Docket Control.
9 Notwithstanding the Confidentiality Agreement, if information provided to the
10 Commission under the Confidentiality Agreement is made public in another forum, it
11 will no longer be considered confidential by the Arizona Corporation Commission.

12
13 The Commission further finds and concludes that in balancing the broad public interest in
14 this matter:

- 15 1. The Project is in the public interest because it aids the state in meeting the need for
16 an adequate, economical and reliable supply of electric power.
17 2. In balancing the need for the Project with its effect on the environment and ecology
18 of the state, the conditions placed on the CEC as modified by the Commission
19 effectively minimize its impact on the environment and ecology of the state.
20 3. The conditions placed on the CEC as modified by the Commission resolve matters
21 concerning the need for the Project and its impact on the environment and ecology of
22 the state raised during the course of proceedings, and as such, serve as the findings on
23 the matters raised.
24 4. In light of these conditions, the balancing in the broad public interest results in favor
25 of granting the CEC as modified by the Commission.

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THE CEC ISSUED BY THE SITING COMMITTEE IS
INCORPORATED HEREIN AND IS APPROVED AS MODIFIED BY ORDER OF THE
ARIZONA CORPORATION COMMISSION


CHAIRMAN


COMMISSIONER


COMMISSIONER


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
Executive Director of the Arizona Corporation Commission,
have hereunto, set my hand and caused the official seal of this
Commission to be affixed at the Capital, in the City of
Phoenix, this 7th day of October 2009.


ERNEST G. JOHNSON
Executive Director

DISSENT: _____

DISSENT: _____

1 **BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE**
2 **SITING COMMITTEE**

3 IN THE MATTER OF THE APPLICATION)
4 OF AGUA CALIENTE SOLAR, LLC, IN)
5 CONFORMANCE WITH THE REQUIREMENTS)
6 OF ARIZONA REVISED STATUTES 40-360.03)
7 AND 40-360.06, FOR A CERTIFICATE OF)
8 ENVIRONMENTAL COMPATIBILITY)
9 AUTHORIZING CONSTRUCTION OF THE)
10 AGUA CALIENTE SOLAR PROJECT,)
11 A 280 MW PARABOLIC TROUGH)
12 CONCENTRATING SOLAR THERMAL, OR A)
13 425 MW PHOTOVOLTAIC SOLAR, GENERA-)
TING FACILITY AND ASSOCIATED TRANS-)
MISSION LINE INTERCONNECTING THE)
GENERATING FACILITY TO THE ADJACENT)
PALO VERDE - NORTH GILA #1 500KV)
TRANSMISSION LINE IN YUMA COUNTY)
APPROXIMATELY 10 MILES NORTH OF)
DATELAND, ARIZONA.)

Docket No. L-00000JJ-09-0279-00145

Case No. 145

Decision No. 71297

14 **CERTIFICATE OF ENVIRONMENTAL COMPATABILITY**

15 Pursuant to notice given as provided by law, the Arizona Power Plant and Transmission Line
16 Siting Committee (the "Committee") held public hearings on July 21 and 22, 2009, in conformance
17 with the requirements of Arizona Revised Statutes ("A.R.S.") §§ 40-360, *et seq.*, for the purpose of
18 receiving evidence and deliberating on the Application of Agua Caliente Solar, LLC ("Applicant")
19 for a Certificate of Environmental Compatibility ("Certificate") in the above-captioned case No. 145
20 (the "Project").

21 The following members and designees of members of the Committee were present at the
22 hearings for the evidentiary presentations and for the deliberations:
23

24 John Foreman	Chairman, Designee for Arizona Attorney General
25 Terry Goddard	
26 Paul Rasmussen	Designee for Director, Arizona Department of
27 Environmental Quality	
28 Gregg Houtz	Designee for Director, Arizona Department of Water Resources

1	Jessica Youle	Designee for Director, Energy Office, Arizona Department of Commerce
2		
3	David Eberhart	Designee for Chairman, Arizona Corporation Commission
4	William Mundell	Appointed Member
5	Jeff McGuire	Appointed Member
6	Patricia Noland	Appointed Member
7	Michael Palmer	Appointed Member
8	Michael Whalen	Appointed Member
9		
10	Barry Wong	Appointed Member

11 Applicant was represented by Jay Moyes of Moyes Sellers & Sims, Ltd. There were no
 12 intervenor parties; however, Arizona Public Service Company, as applicant in Case No. 146, a
 13 consolidated matter, was represented by Thomas H. Campbell of Lewis & Roca LLP.

14 At the conclusion of the hearings, the Committee, having received the Application, the
 15 appearances of the parties, the evidence, testimony, and exhibits presented at the hearings, and
 16 being advised of the legal requirements of A.R.S. §§ 40-360 to 40-360.13, upon motion duly made
 17 and seconded, voted 11 to 0 to grant Applicant this Certificate of Environmental Compatibility for
 18 the Agua Caliente Solar Project (Case No. 145). The Committee acknowledges that the Applicant
 19 has proposed that the Project utilize either one or the other of two solar technology options:

- 20 (1) an approximately 280 Megawatt ("MW") concentrating solar thermal electric
 21 generating plant (the "CSP Option"), or,
- 22 (2) an up to approximately 485 MW photovoltaic solar electric generating plant (the
 "PV Option").

23 Pursuant to the jurisdiction of the Committee over the proposed CSP Option, expressly granted
 24 under A.R.S. § 40-360 (9), this Certificate expressly authorizes, but does not mandate, construction
 25 of the CSP Option on the Project Site.

26 The Project, under either the CSP Option or the PV Option, also includes an associated
 27 500kV generation intertie ("Gen-Tie") transmission line up to approximately two-miles in length,
 28 all to be constructed within an approximately 2400-acre Project Site, which lies within the

1 approximately 3800-acre agricultural property commonly known as the Whitewing Ranch. The
2 Project Site comprises all or portions of Sections 16, 21, 22, 27, 28 and 34 of Township 5 South
3 Range 12 West, G&SRB&M, and is located approximately 10 miles northeast of Dateland, Yuma
4 County, Arizona
5

6 CONDITIONS

7 This Certificate is granted upon the following conditions:

- 8 1. Applicant, or its assignee(s), shall obtain all required approvals and permits necessary to
9 construct the Project.
- 10 2. Applicant, or its assignee(s), shall comply with all existing applicable ordinances,
11 master plans, county comprehensive plans, and regulations of the State of Arizona, the
12 Yuma County, the United States, and any other governmental entities having
13 jurisdiction over the construction and operation of the Project.
- 14 3. This authorization to construct the Project shall expire seven years from the date the
15 Certificate is approved by the Commission; provided, however, that prior to such
16 expiration Applicant or its assignees may request that the Commission extend this time
17 limitation.
- 18 4. In the event that the Project requires an extension of the term of this Certificate,
19 Applicant, or its assignee(s), shall use commercially reasonable means to directly notify
20 by first class mail all landowners and residents within one mile of the Project Site, and all
21 persons who made public comment at this proceeding, of the date, time and place of the
22 proceeding in which the Commission shall consider such request for extension.
- 23 5. Applicant, or its assignee(s), will provide to the Commission Staff copies of the Project's
24 executed interconnection agreement with the transmission owners, and the technical
25 operating studies that will be performed prior to actual physical interconnection of the
26 Project to the transmission system.
- 27 6. Applicant, or its assignee(s), or its affiliate company, or its customer will become a member
28 of the Western Electricity Coordinating Council ("WECC") (or its successor), and will file
with the Commission Docket Control a copy of its executed WECC Membership
Agreement.

- 1 7. During the construction and maintenance of the Project, to the extent applicable,
2 Applicant, or its assignee(s), will use existing roads for access, and to the extent
3 applicable, taking into the account that the Project Site lies within a cultivated
4 agricultural area, minimize impacts to wildlife and vegetation on the Project Site.
- 5 8. Pursuant to A.R.S. § 41-844, if any archaeological, paleontological or historical site or
6 object that is at least fifty years old is discovered on state, county or municipal land
7 during Project-related activities, the person in charge shall promptly report the discovery
8 to the Director of the Arizona State Museum, and in consultation with the Director, shall
9 immediately take all reasonable steps to secure and maintain the preservation of the
10 discovery. If human remains and/or funerary objects are encountered on private land
11 during the course of any ground-disturbing activities relating to the development of the
12 subject property, Applicant shall cease work on the affected area of the Project and
13 notify the Director of the Arizona State Museum pursuant to A.R.S. § 41-865
- 14 9. Within 120 days of the Commission decision granting this Certificate, Applicant, or its
15 assignee(s), will erect and maintain at the site a sign of not less than 4 feet by 8 feet
16 dimensions, advising:
17 (a) that the site has been approved for the construction of the Project facilities;
18 (b) The expected date of completion of the Project facilities;
19 (c) A phone number for public information regarding the Project;
20 (d) The name of the Project;
21 (e) The name of the Applicant or its assignee(s); and
22 (f) The website of the Project.
- 23 10. In connection with the construction of the Project, Applicant, or its assignee(s), shall use
24 commercially reasonable efforts, where feasible, to give due consideration to use of
25 qualified Arizona contractors.
- 26 11. Applicant, or its assignee(s), shall provide copies of this Certificate to the Yuma County
27 Department of Development Services, the Arizona State Land Department, the State Historic
28 Preservation Office, and the Arizona Game and Fish Department.
12. Prior to the date construction commences on the Project, Applicant, or its assignee(s), will
provide known homebuilders and developers of record within one mile of the Project the
identity, location, and a pictorial depiction of the type of power plant being constructed,
accompanied by a written description, and encourage the developers and homebuilders to

1 include this information in the developers' and homebuilders' homeowners' disclosure
2 statements.

- 3 13. Applicant, or its assignee(s), shall file with Commission Docket Control confirmation of the
4 completion of system upgrades required under the interconnection agreement at least thirty
5 days before commercial operation of the Project.
- 6 14. Applicant, or its assignee(s), shall comply with the most current Western Electricity
7 Coordinating Council/North American Electric Reliability Corporation Planning standards as
8 approved by the Federal Energy Regulatory Commission, and National Electrical Safety
9 Code construction standards.
- 10 15. Applicant, or its assignee(s), shall submit a self-certification letter annually, identifying
11 progress made with respect to each condition contained in the Certificate, including which
12 conditions have been met. Each letter shall be submitted to the Commission Docket Control
13 on December 1, beginning in 2011. Attached to each certification letter shall be
14 documentation explaining how compliance with each condition was achieved. Copies of
15 each letter along with the corresponding documentation shall be submitted to the Arizona
16 Attorney General and Department of Commerce Energy Office. The requirement for the
17 self-certification shall expire on the date the Project is placed into operation.
- 18 16. If Applicant selects the CSP Project technology, Applicant, or its assignee(s), shall submit by
19 March 31, on an annual basis commencing on the first March 31 following commercial
20 operation of the Project, a report to the Commission Docket Control and the Arizona
21 Department of Water Resources that identifies the amount of water used for operation of the
22 Project in the previous calendar year.
- 23 17. Applicant, or its assignees(s), shall design the Gen-Tie transmission line to incorporate
24 reasonable measures to minimize impacts to raptors.
- 25 18. Applicant, or its assignee(s), shall use non-specular conductor and dulled surfaces for
26 the Gen-Tie transmission line structures.
- 27
28

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Certificate incorporates the following findings of fact and conclusions of law:

1. The Committee has the jurisdiction to approve or deny this Application for a Certificate to build a CSP electrical generating facility, but the Committee makes no determination of its jurisdiction to approve or deny an application for a Certificate to build a photovoltaic electrical generating facility. A.R.S. § 40-360 (9).
2. Taking into consideration the factors listed in A.R.S. § 40-360.06 and 360.07, the photovoltaic electrical generating facility options have a similar environmental impact to the CSP electrical generating facility approved in this Certificate.
3. The addition of the Project's clean energy production will offset the need for fossil-fueled generation that would otherwise produce several hundred thousand tons per year of greenhouse gas emissions in the western United States.
4. The Project will help the economy of Yuma County and the state.
5. The Project will help meet the goal of advancing solar energy production in the state.
6. The conditions placed on the Certificate by the Committee effectively minimize its impact on the environment and ecology of the state.
7. The Project is in the public interest because the Project's contribution to meeting the need for an adequate, economical and reliable supply of renewable electric power outweighs the minimized impact of the Project on the environment and ecology of the state.
8. The conditions placed on the Certificate by the Committee resolve matters concerning the need for the Project and its impact on the environment and ecology of the state raised during the course of proceedings, and as such, serve as the findings on the matters raised.

- Decision No.
- 71297